

Sale of Commercially Prepared Food Items

Purpose:

This instruction sets forth the policy of the purchase of a la carte items sold by a franchise to a School Food Authority.

Scope:

Sponsors participating in the National School Lunch (NSLP) and/or School Breakfast Programs (SBP).

Description:

Sponsors may purchase items prepared off-site by commercial firms and include them in their meal service operation. Items may be incorporated into reimbursable meals or sold as a la carte items. A firm, which has a commercial catering license, such as fast food franchise, restaurant, or bakery, may sell to a sponsor as a supplier or vendor.

It is also permissible for a sponsor to enter into a franchise agreement with a commercial firm. The sponsor continues to operate the food service as a franchise, pays the firm for training, recipes, and the use of the company logo, but the food is prepared by the sponsor at the sponsor's site.

Proper procurement practices must be used prior to purchasing commercial food items for resale to students. A franchise agreement and the purchase of food products for use under a franchise agreement are also subject to competitive bidding requirements of the National School Lunch Program and/or the School Breakfast Program. **It is not acceptable under any conditions to have a commercial company come into a school and sell product directly to students.**

All income from the sale of food must accrue to the benefit of the nonprofit school food service, the school, or student organizations approved by the school.

SOURCE: POLICY FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, AUGUST 1992.